

NATIONAL ASSOCIATION OF ATTORNEYS GENERAL

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Executive Director

July 23, 2002

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Attorney General of California

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Attorney General of Vermont

IMMEDIATE PAST PRESIDENT
CARLA STOVALL
Attorney General of Kansas

Sent via facsimile

The Honorable William M. Thomas
Chairman, Trade Conference
United States House of Representatives
House Office Building
Washington, D.C. 20515

The Honorable Max Baucus
Vice Chair, Trade Conference
United States Senate
Senate Office Building
Washington, D.C. 20510

Re: H.R. 3005 and H.R. 3009: Trade Legislation and Foreign Investor Lawsuits

Dear Chairman Thomas and Vice Chair Baucus:

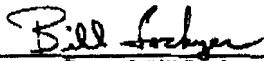
In a resolution adopted at the Spring 2002 meeting, the National Association of Attorneys General encouraged Congress to ensure that foreign investors receive no greater rights than afforded to our citizens in any new legislation providing for international trade agreements. While the recently adopted Senate trade bill recognizes this issue, it does not relieve our concern. We strongly support the promotion of international trade, including the elimination of unfair and discriminatory barriers to foreign investment. But neither the authority of state and local governments to protect the American public nor the independence of our judicial system should be sacrificed to these objectives.


We urge Congress in its reconciliation of the House and Senate versions of the fast-track trade bill to incorporate the following three principles:

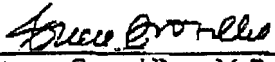
- (1) Foreign investors should have no greater rights to seek financial compensation than U.S. citizens possess under the U.S. Constitution or the State Constitutions, as interpreted by the U.S. Supreme Court or the highest state courts;
- (2) International arbitration panels should have no jurisdiction or authority to award financial compensation except in accordance with the foregoing standard; and
- (3) International arbitration panels convened under international trade agreements should have no jurisdiction or authority to award financial compensation based on challenges to the rulings of state or federal courts.


Thank you for your consideration of our concerns regarding this issue.

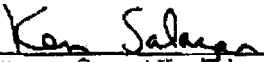
Sincerely,



Attorney General Bill Lockyer
Attorney General of California

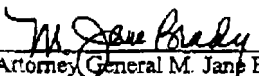

Attorney General Alan Lance
Attorney General of Idaho



Attorney General Bruce M. Botelho
Attorney General of Alaska

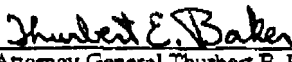

Attorney General Janet Napolitano
Attorney General of Arizona



Attorney General Ken Salazar
Attorney General of Colorado

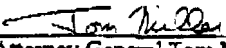

Attorney General Richard Blumenthal
Attorney General of Connecticut

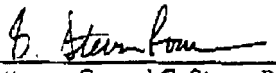

Attorney General M. Jane Brady
Attorney General of Delaware

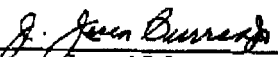

Attorney General Robert A. Butterworth
Attorney General of Florida

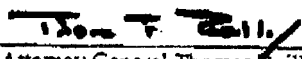

Attorney General Thurbert E. Baker
Attorney General of Georgia

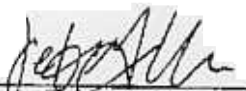

Attorney General Earl Pozai
Attorney General of Hawaii

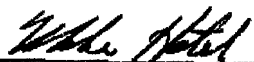

Attorney General Tom Miller
Attorney General of Iowa



Attorney General G. Steven Rowe
Attorney General of Maine



Attorney General J. Joseph Curran Jr.
Attorney General of Maryland

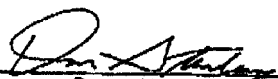

Attorney General Thomas Reilly
Attorney General of Massachusetts

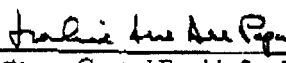

Attorney General Jennifer Granholm
Attorney General of Michigan



Attorney General Mike Hatch
Attorney General of Minnesota



Attorney General Mike Moore
Attorney General of Mississippi

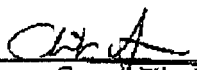

Attorney General Mike McGrath
Attorney General of Montana

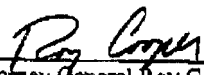

Attorney General Don Stenberg
Attorney General of Nebraska



Attorney General Frankie Sue Del Papa
Attorney General of Nevada

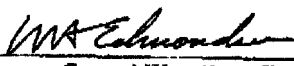

Attorney General Philip T. McLaughlin
Attorney General of New Hampshire

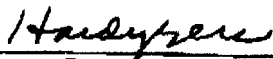

Attorney General David Samson
Attorney General of New Jersey



Attorney General Eliot Spitzer
Attorney General of New York



Attorney General Roy Cooper
Attorney General of North Carolina



Attorney General Robert Tenorio Torres
Attorney General of the Northern
Mariana Islands


Attorney General W.A. Drew Edmondson
Attorney General of Oklahoma



Attorney General Hardy Myers
Attorney General of Oregon



Attorney General Sheldon Whitehouse
Attorney General of Rhode Island

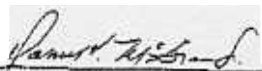

Attorney General Charlie Condon
Attorney General of South Carolina

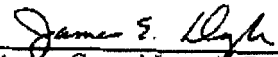

Attorney General Paul Summers
Attorney General of Tennessee


Attorney General William H. Sorrell
Attorney General of Vermont


Attorney General Peter Stridiron
Attorney General of the Virgin Islands


Attorney General Christine Gregoire
Attorney General of Washington


Attorney General Darrell V. McGraw Jr.
Attorney General of West Virginia


Attorney General James E. Doyle
Attorney General of Wisconsin

cc: Speaker J. Dennis Hastert
Senate Majority Leader Thomas A. Daschle

Senate Conferees:

Senator John D. Rockefeller, IV
Senator John B. Breaux

Senator Orrin G. Hatch

House Conferees:

Representative Philip M. Crane
Representative John A. Boehner
Representative Sam Johnson
Representative W. J. Tauzin
Representative Dan Burton
Representative Bob Barr
Representative Michael Bilirakis
Representative James Sensenbrenner Jr.
Representative Howard Coble
Representative David Dreier
Representative John Linder

Representative Charles B. Rangel
Representative George Miller
Representative John D. Dingell
Representative Henry A. Waxman
Representative John Conyers, Jr.
Representative Alcee Hastings